

**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
FORMER CALDWELL COUNTY
PROPERTY VALUATION ADMINISTRATOR**

**For The Period December 1, 2005
Through November 30, 2006**



**CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS
www.auditor.ky.gov**

**105 SEA HERO ROAD, SUITE 2
FRANKFORT, KY 40601-5404
TELEPHONE (502) 573-0050
FACSIMILE (502) 573-0067**



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AUDITOR OF PUBLIC ACCOUNTS

Independent Accountant's Report

John R. Farris, Secretary, Finance and Administration Cabinet
The Honorable James R. Wallace
Former Caldwell County Property Valuation Administrator
The Honorable Ronald Wood
Caldwell County Property Valuation Administrator
Princeton, Kentucky 42445

We have performed the procedures enumerated below, which were agreed to by the former Caldwell County Property Valuation Administrator (PVA), solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for the period December 1, 2005 through November 30, 2006. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the former Caldwell County PVA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. Re-perform the year-end bank reconciliation (June 30, 2006), for all bank accounts, to determine if amounts are accurate.

Finding -

Receipts and disbursements ledger are not maintained by the PVA. Bank reconciliations are completed each month and the year-end bank reconciliations were accurate.

Former PVA James R. Wallace's Response - None.



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2. Procedure -

Confirm any and all payments by the city to the PVA. Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

Recorded city receipts agree with confirmation and the list of city receipts appear complete.

3. Procedure -

Confirm any and all payments made by the fiscal court to the PVA. Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Department of Revenue. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the PVA's local bank account.

Finding -

The fiscal court budgeted the appropriate statutory contribution as required by the Revenue Cabinet and made payments to the Property Valuation Administrator. The Property Valuation Administrator deposited the statutory contribution payments to the local official bank account.

4. Procedure -

Judgmentally select 15 disbursements from PVA records and agree amounts to cancelled checks, paid invoices or other supporting documentation. Determine if the expenditure is for official business. Review all credit card statements (if any) to determine if expenditures are for official business.

Finding -

Six of the fifteen selected disbursements did not have proper supporting documentation. Of the expenditures that did have supporting documentation, all were for official business. The Property Valuation Administrator does not use credit cards.

Former PVA James R. Wallace's Response - None.

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5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets. Determine if assets were added to the PVA's Capital Asset Inventory List.

Finding -

Capital outlay expenditures agreed with cancelled checks, supporting documentation and proper purchasing procedures. The location of newly acquired assets was verified. Assets were added to the Property Valuation Administrator's Capital Asset Inventory List.

6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

Services received for professional service contracts were appropriate, for official business, and properly authorized.

7. Procedure -

Compare PVA's final budget to actual expenditures to determine if PVA overspent in any account series.

Finding -

The final budget was overspent in one account series.

Former PVA James R. Wallace's Response - None.

8. Procedure -

Determine whether collateral is necessary for the PVA's funds. If necessary determine if the PVA was sufficiently collateralized for the year and if a collateral agreement exists.

Finding -

Collateral was not necessary for the PVA's funds.

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9. Procedure -

Determine whether timesheets are completed, maintained, and support hours worked.

Finding -

Timesheets are completed, maintained, and supported hours worked.

10. Procedure -

Determine whether cash balances were properly transferred from former PVA to new PVA.

Finding -

Cash balances were properly transferred from former PVA to new PVA.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Property Valuation Administrator and the Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Crit Luallen
Auditor of Public Accounts

Engagement fieldwork completed -
November 30, 2006

